

MARIA ELLENA CHAVEZ-RUARK, U.S. BANKRUPTCY JUDGE

Evidentiary Hearing: YES

Exhibits Filed: NO

PROCEEDING MEMO – CHAPTER 11

Case: 24-13609-MCR
Smokecraft Clarendon, LLC

Date: 05/01/2024 at 2:00 p.m.

Appearances: Maurice Belmont VerStandig, counsel for Debtor
Angela L. Shortall, Subchapter 5 Trustee
Lynn A. Kohen, Office of the United States Trustee

Also present: Andrew Darneille, representative of Debtor
Krystal Broussard, representative of Capital Bank

[3] Motion to Pay Pre-Petition Wages Filed by Smokecraft Clarendon, LLC. (Attachments: # 1 Declaration of Andrew Darneille in Support of First Day Motions # 2 Proposed Order)

[4] Motion *to Maintain and Administer Gift Cards on an Interim and Final Basis* Filed by Smokecraft Clarendon, LLC. (Attachments: # 1 Declaration of Andrew Darneille in Support of First Day Motions # 2 Proposed Order)

COMMENTS: The Debtor provided informal notice of the motions on 04/29/24 to deal counsel for Capital Bank. Today, after entry of the order scheduling this hearing, the Debtor sent notice of the hearing to equityholders and 22 creditors, including deal counsel for Capital Bank. TD Bank has a lien on a CD, is in possession of the CD, and is fully secured. Vend Lease has an active UCC statement, but the Debtor believes it should be terminated. WebBank/Toast Finance is an MCA lender. Counsel for the Debtor reported that postpetition cash will be sufficient to fund postpetition operations.

Counsel for the Debtor proffered Mr. Darneille's testimony regarding both motions.

Counsel for the Debtor will add to both orders that secured creditors are granted replacement liens to the extent there is diminution in collateral value. He will obtain consent as to form from the UST and Sub V trustee.

DISPOSITION: Hearing held. Both motions granted. Debtor's counsel will upload revised orders.